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D R A F T - 5/30/88

SUBJECT: CIA ADMINISTRATION OF THE THRIFT SAVINGS PLAN

MEMORANDUM OF UNDERSTANDING

I. Scope

A. This memorandum reflects the understandings between the Executive Director, Federal Retirement Thrift Investment Board (FRTIB), and the Director of the Central Intelligence Agency (CIA), regarding the administration of the Thrift Savings Plan (TSP).

B. Pursuant to 5 U.S.C. 8461(k), the Director of the CIA is authorized to assume responsibility for those operations of the Thrift Savings Plan which he deems appropriate, except for the investment of funds in the Thrift Savings Fund.

C. This Memorandum covers all employees of the CIA.

D. For purposes of 5 U.S.C. 8461(k), the CIA has determined that the term "employees of the CIA" includes certain civilian employees of an intelligence element of the Department of Defense jointly assigned with CIA employees to a specific intelligence activity of such national security sensitivity that the identities of such assignees must be protected from unauthorized disclosure. Such term does not include any other persons in similar circumstances. Should the CIA determine in the future that other persons in similar circumstances should be designated as employees of the CIA for purposes of 5 U.S.C. 8461(k), separate and independent agreements and memoranda of understanding will be executed in each instance.

II. Functions of the Parties

A. Functions to be Performed by the CIA

1) Under the authority granted in 5 U.S.C. 8461(k), the Director of the CIA has elected to exercise his authority, effective January 1, 1987, to administer all TSP functions not specifically excluded by law with respect to CIA employees identified in paragraphs I.C. and I.D. Such authority has been properly delegated to the undersigned Director of Personnel,

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CIA. As part of such authority, the CIA has decided to conform, where it deems desirable, to the rules, regulations, and procedures of the FRTIB. The functions assumed by the CIA include, but are not limited to, the following:

a) Maintenance of individual employee TSP account records;

b) Transmission of employee and agency contributions to FRTIB;

c) Maintenance of a control system for employee TSP account balances reconcilable with corresponding controls at FRTIB;

d) Accounting for disbursements from, and allocations of earnings, losses, and charges to, individual employee TSP accounts.

e) Processing and paying withdrawals from TSP;

f) Processing and paying loans and processing loan repayments.

2) The CIA will comply with all applicable provisions of law, including the Federal Employees' Retirement System Act of 1986, as amended, and such fiduciary responsibilities as may be imposed on the CIA by such Act.

3) With respect to persons identified in paragraph I.D., the CIA will:

a) enter into a Memorandum of Understanding with the employing agency of such persons which will permit the employing agency to conform to the rules, regulations, and procedures of the FRTIB;

b) in the event that the CIA no longer desires to administer certain TSP functions with respect to such employees, give the employing agency and FRTIB

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such time as FRTIB requests to assume responsibility for administering such functions.

4) Prior to implementation, the CIA will consult with FRTIB concerning any changes to the CIA retirement system which will materially affect FRTIB's operation of TSP.

5) At least annually, but before the FRTIB's annual audit, the CIA will conduct internal inspections and audits of TSP accounts and disbursements under its jurisdiction. These inspections and audits will be made available for review by appropriate agencies and auditors, including auditors employeed by FRTIB and the Department of Labor, in a manner consistent with CIA's responsibility to protect identities, intelligence sources, methods, activities, and sensitive intelligence data.

B. Functions to be performed by FRTIB

1) FRTIB will continue to hold and invest TSP contributions on behalf of CIA employees.

2) FRTIB will furnish CIA with such information and, on a reimbursable basis, provide such services as the CIA determines to be necessary to carry out the functions and duties the CIA has assumed with respect to TSP, after consultation with the Executive Director of the FRTIB.

III. Implementation Procedures

Operating procedures to implement this Memorandum will be developed through consultation between appropriate representatives of the FRTIB and the CIA. Procedures already in place will continue until modified or superceded by new procedures.

IV. Supplemental Memoranda of Understanding

Separate supplemental memoranda of understanding consistent with this Memorandum may be developed to address specific procedures and responsibilities relating to the administration of TSP which are not addressed in this Memorandum.

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V. Duration

This Memorandum will continue in effect until terminated by either signatory. Termination will be accomplished by written notice to the other signatory at least 90 days in advance of the effective date of such termination.

Approved for the Federal Retirement Thrift Investment Board this _____ day of _____, 1988.

_____
Executive Director
Federal Retirement Thrift Investment Board

Approved for the Central Intelligence Agency this _____ day of _____, 1988.

_____
Director of Personnel
Central Intelligence Agency

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C. This Memorandum covers all employees of the CIA.

D. For purposes of 5 U.S.C. 8461(k), the CIA has determined that the term "employees of the CIA" includes certain civilian employees of an intelligence element of the Department of Defense jointly assigned with CIA employees to a specific intelligence activity of such national security sensitivity that the identities of such assignees must be protected from unauthorized disclosure. Such term does not include any other persons in similar circumstances. Should the CIA determine in the future that other persons in similar circumstances should be designated as employees of the CIA for purposes of 5 U.S.C. 8461(k), separate and independent agreements and memoranda of understanding will be executed in each instance.

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3) With respect to persons identified in paragraph I.D., the CIA will:

a) enter into a Memorandum of Understanding with the employing agency of such persons which will permit the employing agency to conform to the rules, regulations, and procedures of the FRTIB;

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5) At least annually, but before the FRTIB's annual audit, the CIA will conduct internal inspections and audits of TSP accounts and disbursements under its jurisdiction. These inspections and audits will be made available for review by appropriate agencies and auditors, including auditors employeed by FRTIB and the Department of Labor, in a manner consistent with CIA's responsibility to protect identities, intelligence sources, methods, activities, and sensitive intelligence data.

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Approved for the Federal Retirement Thrift Investment Board this _____ day of _____, 1988.

_____
Executive Director
Federal Retirement Thrift Investment Board

Approved for the Central Intelligence Agency this _____ day of _____, 1988.

_____
Director of Personnel
Central Intelligence Agency

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REMARKS

Bob

I've gone thru the revised MOU that we recieved from the Thrift Board and highlited some new wordings and things drastically different from the version that went to them. While it looks different, it appears to basically condensed. The thing that strikes me most is in II.A.5 over

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that says "At least annually" we will conduct inspections audits etc. That para may need further amplification.

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